## IN THE UNITED STATES DISTRICT COURT FOR THE EASTERN DISTRICT OF PENNSYLVANIA

LAMINAR FLOW, INC

Plaintiff, : CIVIL ACTION

v.

:

COLIN KEY AND MICHAEL HENNESSEY

AND ISOLATION SYSTEMS, INC.,

NO. 03-6008

Defendants

## **MEMORANDUM AND ORDER**

Juan R. Sánchez, J. December 14, 2004

Plaintiff, Laminar Flow, Inc. ("Laminar") charged Colin Key ("Key"), Michael Hennessey ("Hennessey") and Isolation Systems Incorporated ("ISI") with breach of contract, tortious interference with a business relationship, and civil conspiracy. Defendants moved to dismiss for lack of jurisdiction under Fed.R.Civ.P. 12(b)(2). We denied Defendant's motions to dismiss pending an *in camera* inspection of drawings and specifications of the parties products. We now order Laminar to show cause why the case should not be dismissed.

## **DISCUSSION**

In Pennsylvania, restrictive covenants will be enforced when they are: 1) incident to employment relations between parties to the covenant; 2) reasonably necessary for the protection of the employer; and 3) reasonably limited in duration and geographic extent. *Thermo-Guard, Inc. v. Cochran*, 596 A.2d 188, 193 (Pa. Super. 1991). Restrictive covenants protect an employer's trade secrets, customer goodwill, and the specialized training or skills the employer provided to its employees. *Thermo-Guard, Inc.* 596 A.2d at 193-94; citing *Morgan's Home Equipment Corp. v.* 

Martucci, 136 A.2d 838 (Pa. 1957). Courts must enforce restrictive covenants equitably and "only so far as reasonably necessary for the protection of the employer." Hess v. Gebhard & Co., 808 A.2d 912, 923 (Pa. 2002). An employer is entitled to protect its confidential information, however, "the information must be a particular secret of the employer, not a general secret of the trade, and must be of peculiar importance to the conduct of the employer's business." Siemens Med. Solutions Health Servs. Corp. v. Carmelengo, 167 F. Supp. 2d 752, 762 (E.D. Pa. 2001) citing Bell Fuel Corp. v. Cattolico, 544 A.2d 450 (Pa. Super. 1988).

Laminar argues that Defendants Key and Hennessey have disclosed confidential and proprietary information and therefore, have breached the parties' Confidentiality Agreement. To determine the merit of these claims, we ordered the parties to provide drawings and other documents of the confidential information Defendant's allegedly used or disclosed to the court for an *in-camera* review. Laminar produced drawings, product specifications and other documents but failed to describe with specificity what information was confidential or proprietary and how the Defendants used or disclosed this information. Rather, Laminar instructed the court to "review the drawings to look for information that tells the Court how to build the product." Pl.'s Br. 2. Laminar has not met its burden. In order for this court to determine whether the restrictive covenant is reasonably necessary for the protection of the employer, Laminar must identify with specificity the confidential or proprietary information, trade secrets, or customer lists Defendants allegedly disclosed and used. Accordingly, we enter the following:

## **ORDER**

AND NOW, this 14<sup>th</sup> day of December, 2004, Plaintiff is ORDERED to show cause why the case should not be dismissed. At a Hearing on January 12, 2005 at 10:00 a.m. Courtroom TBD (call chambers day prior) Plaintiff must produce:

- A list of Laminar Flow's confidential and unpublished customers that Defendants allegedly contacted or tortiously interfered with and the circumstances of such interference;
- The specific proprietary designs, engineering and manufacturing method each Defendant allegedly disclosed or used, in breach of the Confidentiality Agreement and argument on why such designs are proprietary.

Failure to produce these items may result in dismissal of Plaintiff's claim.

BY THE COURT:
Juan R. Sánchez, J.